

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2  
3 In the Matter of )  
4 ) MUR 5453  
5 Greg Bedula )  
6

7 **CONCILIATION AGREEMENT**  
8

9  
10 This matter was generated based on information ascertained by the Federal Election  
11 Commission ("the Commission") in the normal course of carrying out its supervisory  
12 responsibilities. *See* 2 U.S.C. § 437g(a)(2). Based upon available information, the Commission  
13 found reason to believe Greg Bedula ("Respondent") knowingly and willfully violated 2 U.S.C.  
14 § 441f. Reason to believe is a preliminary finding and a statutory prerequisite to an investigation  
15 as to whether there is probable cause to believe a violation occurred.

16 NOW, THEREFORE, the Commission and Respondent, having participated in informal  
17 methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as  
18 follows:

19 I. The Commission has jurisdiction over Respondent and the subject matter of this  
20 proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.  
21 § 437g(a)(4)(A)(i).

22 II. Respondent has had a reasonable opportunity to demonstrate that no action should be  
23 taken in this matter.

24 III. Respondent enters voluntarily into this agreement with the Commission.

26044131331

IV. The pertinent facts in this matter are as follows:<sup>1</sup>

1. Arthur A. Watson & Company, Inc. ("the Company") is a corporation organized by authority of the State of Connecticut.

2. During the period relevant to this matter, Greg Bedula was employed as a Vice-President of the Company.

3. The Giordano for U.S. Senate Committee ("Committee") is a political committee within the meaning of 2 U.S.C. § 431(4), and was Philip Giordano's authorized committee for his 2000 Senatorial race as the Republican candidate for U.S. Senate against Senator Joseph Lieberman in Connecticut.

4. Corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. *See* 2 U.S.C. § 441b(a). 2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one's name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. *See also* 11 C.F.R. § 110.4(b)(1)(i)-(iii).

5. In April of 2000, an officer of Arthur A. Watson & Company, Inc. approached Respondent and asked him to make a contribution to the Committee. At or about the same time, or shortly thereafter, the officer indicated to Respondent that the Company would provide payment to Respondent to offset the amount of the contribution, through an adjustment in his compensation.

<sup>1</sup> All of the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA. All statements of the law in this agreement that are written in the present tense shall be construed to be in either the present or the past tense, as necessary, depending on whether the statement would be modified by the impact of BCRA or the regulations thereunder.

26044131332

6. During these and other conversations, Company officers conveyed to Respondent that the President of the Company had spoken with outside legal counsel and Company officers informed Respondent that they had been advised that it was permissible for the Company to reimburse Respondent for the contribution by adjusting Respondent's compensation.

7. In April 2000, Respondent made a \$2,000 contribution to the Committee on behalf of himself and his wife. The Company then reimbursed Respondent for the contribution by making an adjustment in his compensation (which was a permanent adjustment). The idea of reimbursement came from the Company; Respondent did not request any reimbursement for his contribution, but did accept the reimbursement.

V. 1. Respondent contends that he acted in good faith and relied upon the Company officers' statements that outside counsel had approved the decision to reimburse Respondent for his contribution to the Committee by making an adjustment in Respondent's compensation. The Commission has informed Respondent that such legal advice, if given, would have been inaccurate and improper.

2. Without admitting or denying all of the Commission's allegations, for the purpose of avoiding litigation and settling this matter, Respondent agrees not to contest the Federal Election Commission's finding that he violated 2 U.S.C. § 441f.

VI. 1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of One Thousand Dollars (\$1,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondent will cease and desist from violating 2 U.S.C. § 441f.

3. Respondent will waive his right to a refund of all political contributions referenced in this agreement that have not been previously refunded or disgorged to the U.S. Treasury.

26044131333

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

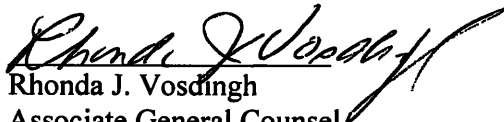
IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:


Lawrence H. Norton  
General Counsel

BY:

  
Rhonda J. Vosdigh  
Associate General Counsel  
for Enforcement

12/05/05  
Date

FOR THE RESPONDENT:

  
Greg Bedula

11.8.05  
Date

26044131334